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MEMORANDUM

## THE IMPLICATIONS OF AN IRAQI VICTORY

The impact of a limited but clear cut military victory over Iran on the regional balance of power would be felt first and foremost in the Persian Gulf. Iraq's status as an Arab leader would be greatly enhanced in the Gulf, as well as in the Arab world. Iraq would probably benefit in the immediate aftermath from a popular sense of exhilaration that an Arab army had defeated longtime enemy Iran. Iraq would, as a consequence, more aggressively assert its claim to Arab leadership and may prod other Persian Gulf governments to enter into more formal expressions of that role, possibly in the security area. Iraq's tendency in such situations has been to bully, but Saddam Hussein has shown ability over the past year to play a subtle political game.

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In the longer run, however, Baghdad may find it more difficult than it expects to convert its presumed military victory into more lasting strategic and political influence. To be sure, Jordan, Saudi Arabia, the smaller Persian Gulf states, and perhaps even Syria and the Palestine Liberation Organization will pay greater deference to Iraq, but they also will try to circumscribe Iraqi power and exploit Iraqi ambitions for their own purposes.

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The Saudis and other Gulf rulers would, of course, welcome a limited Iraqi victory, hoping that this would help spike Iran's attempts to export its revolution and would leave Iraqi forces tied down in Iran. They do not, however, want to see Iran break apart and the local balance of power radically altered in Iraq's favor. They fear they would:

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- [redacted]
- encourage Iraq to pursue its hegemonic designs aggressively in the Gulf;
  - open the way for Iranian leftists to seize power in at least some provinces and perhaps Tehran;
  - lead to the spread of Soviet influence in Iran.

Not surprisingly, Israeli and Egyptian leaders share those concerns. [redacted]

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Assuming Iraqi gains remain relatively limited and the Khomeini regime weathers the present onslaught, the Saudis and other Gulf leaders will attempt to placate Baghdad without arousing the ire of Tehran--a delicate balancing act they have pursued throughout the fighting to avoid Iranian retaliation and unrest among their Shia populations.. The weaker states--especially Kuwait and the United Arab Emirates--will find it more difficult than before to resist Iraqi pressures for closer cooperation on gulf security matters--including the possible use of their naval facilities. [redacted]

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Saudi leaders may draw contradictory lessons from the war:  
1) that they need US support more than ever to constrain Iraq; and 2) that they should seek closer ties with Baghdad in the hope of turning that to their advantage to press the US on the Palestinian issue. The Saudis may even be tempted to try to do both, believing that the cut-off of Iraqi and Iranian oil--even if only temporary--illustrates how vital Saudi Arabia is to the West and strengthens Saudi leverage with Washington. [redacted]

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Jordan, meanwhile, has emerged as Iraq's staunchest supporter. By aligning himself wholeheartedly with the Iraqis, King Husayn hopes a strong Iraq will be able to put an end to divisions in the Arab camp and help devise a workable alternative to the Camp David Accords--one that Jordan has a large say in shaping. [redacted]

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Syria--long at odds with Iraq and loosely aligned with Iran--also may change tack. It has so far struck a more neutral pose during the present fighting. Damascus may be tempted to make some overture to Baghdad in the hope, at minimum, of extracting more financial support from Libya and, at most, of gaining solid Iraqi backing against Israel. The PLO may be similarly inclined to bid for Iraqi support in an effort to lessen its dependence on Syria and increase its room for maneuver. [redacted]

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It is the coalescing of such forces--no matter how loose and fragile--that would most alarm Israel. Tel Aviv already

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seems to have concluded Iraq will seek to capitalize on its military victory over Iran to obtain leadership in the Arab world by promoting expanded Palestinian terrorism, using its oil resources more aggressively to erode support for Israel in Western Europe, and strengthening its military ties with other Arab "eastern front" states in preparation for another war. As a result, Israeli leaders are likely to dig in their heels even more in the autonomy talks.

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An increase in Iraqi prestige and influence would be equally unwelcomed in Cairo. The shift of Jordan and Saudi Arabia more solidly into the Iraqi camp would leave Egypt more isolated and separated from its potential Arab allies than it is now. It also would increase President Sadat's concern about his ties with the US and make him more anxious to see Washington take a firmer line with Israel on the autonomy talks once the US elections were over.

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